



The World Bank

Sierra Leone Smallholder Commercialization and Agribusiness Development Project Additional Financing
(P170604)

Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 13-Jun-2019 | Report No: PIDISDSA26841



BASIC INFORMATION

A. Basic Project Data

Country Sierra Leone	Project ID P170604	Project Name Sierra Leone Smallholder Commercialization and Agribusiness Development Project Additional Financing	Parent Project ID (if any) P153437
Parent Project Name Smallholder Commercialization and Agribusiness Development Project	Region AFRICA	Estimated Appraisal Date 21-May-2019	Estimated Board Date 24-Jul-2019
Practice Area (Lead) Agriculture	Financing Instrument Investment Project Financing	Borrower(s) Ministry of Finance and Economic Development	Implementing Agency Ministry of Agriculture, Forestry and Food Security

Proposed Development Objective(s) Parent

The project development objective is to promote smallholder commercialization by fostering productive business linkages between smallholder farmers and selected agribusiness firms and other commodity off-takers in Sierra Leone. The Project has four components:(1) Support to agribusiness-farmer linkages and SMEs along selected agricultural value chains (US\$ 19 million); (2) Market Access Improvement (US\$26 million); (3) Capacity Building for Government and Other Institutions relevant for agribusiness development (US\$ 6 million); and (4) Project Coordination, Monitoring and Evaluation (US\$ 4 million).

Components

- Contingency Emergency Response
- Support to agribusiness-farmer linkages and SMEs along selected agricultural value chains
- Market Access Improvement
- Capacity Building support for state and non-state institutions and producer organizations
- Project Management, Monitoring and Evaluation

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	30.00
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Total Financing	30.00
of which IBRD/IDA	30.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	30.00
IDA Grant	30.00

Environmental Assessment Category

B-Partial Assessment

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

B. Introduction and Context

Country Context

For over a decade after the end of the civil war, Sierra Leone experienced strong economic growth averaging over 7 percent during 2003-2018 but contracted by about 21 percent in 2015 due to the Ebola disease outbreak and the downturn in international iron ore prices. Although the country was declared Ebola free in March 2016, the economic recovery has been volatile. Growth rebounded to 6.4 percent in 2016 only to decelerate to 3.8 percent in 2017 and remaining roughly stagnant at 3.7 percent in 2018. Adding to the challenge of recovery, a large landslide hit Freetown in August 2017, further disrupting economic activity and slowing the pace of the recovery in 2017.

The country's long-term growth agenda will face challenges related to public sector capacity and reform as well as the governance of its abundant natural resources. The country launched its fourth generation Poverty Reduction Strategy, Medium Term National Development Strategy 2019-2023: Education for development, a new direction for improving lives through education, inclusive growth and building resilient economy. The plan prioritizes Human Capital Development Economic Diversification, Governance and Accountability for Results, Infrastructure, and Economic Competitiveness as the key policy clusters. To achieve sustained long-term and inclusive growth, the economic base needs to be broadened beyond the extractives sector and public sector capacity needs to be enhanced to effectively manage the country's rich natural resources.



Furthermore, sustained long-term growth may be hindered by sluggish growth in the key sectors that support the livelihoods of the majority of the population. While the extractives boom will drive the growth trajectory in the short to medium term, reductions in poverty will depend on key sectors, such as agriculture, that sustainably employ the majority of the population, especially in rural areas. Agriculture supports over 78 percent of the rural population; however, low levels of agricultural productivity render the sector less competitive and depress rural wages, discouraging employment among youth who are the most non/under-employed in the country. For the country to achieve the twin goals of reducing extreme poverty and improving shared prosperity, there is need for renewed focus to transform the largely subsistence low-input, low-output agriculture into a more productive and commercialized system capable of creating gainful employment as a basis for broad-based poverty reduction.

Sectoral and Institutional Context

Despite the boom in the natural resource extractives, agriculture will continue to be the priority sector for Sierra Leone, because of its huge (but underutilized) potential to drive growth and prosperity in the Country. Currently the sector contributes over 40 percent of the national gross domestic product. The prospects however remain good for the new administration to use agricultural sector to drive its development agenda, but sustainable growth is dependent upon diversifying the agricultural base, improving productivity and deepening smallholder commercialization and agribusiness development. Agribusiness development will offer better opportunities for improving food production and diversifying the agricultural commodity exports. As such, integration of smallholder farmers into value chains through mutually beneficial business partnerships is the most viable way to achieve sustainable income growth. For Sierra Leone, such win-win business relationships with smallholder farmers may not only be limited to agribusiness companies. There are also opportunities to create of mutually beneficial supply contracts between smallholder farmers (as producers) and the mining and tourism industry (as potential buyers), as a way to promote the growth pole approach to sustainable socio-economic development. This is one of the viable ways through which smallholder commercialization may be achieved because the smallholder farmers will not only gain secure markets for their commodities but will also learn the skills required to operate within organized value-chains.

C. Proposed Development Objective(s)

Original PDO

The project development objective is to promote smallholder commercialization by fostering productive business linkages between smallholder farmers and selected agribusiness firms and other commodity off-takers in Sierra Leone. The Project has four components:(1) Support to agribusiness-farmer linkages and SMEs along selected agricultural value chains (US\$ 19 million); (2) Market Access Improvement (US\$26 million); (3) Capacity Building for Government and Other Institutions relevant for agribusiness development (US\$ 6 million); and (4) Project Coordination, Monitoring and Evaluation (US\$ 4 million).

Current PDO

No Changes to the Original PDO.



Key Results

The key indicators for the PDO level results are the following:

- (i) Increase in yield of targeted commodities by direct project beneficiaries (mt/ha), disaggregated by gender;
- (ii) Increase in marketed volumes and values of commodities by producer organizations to agribusinesses, percent compared to baseline, disaggregated by gender;
- (iii) Total direct project beneficiaries (number), of which female (%).

D. Project Description

The project aims to promote smallholder commercialization by fostering productive business linkages between smallholder farmers and selected agribusiness firms. Agribusiness firms will be selected on the basis of their innovative plans and experience working with organized farmers' groups or cooperatives. The project will work with selected agribusiness firms that incorporate productive linkage arrangements with smallholder farmers, as part of their overall long-term business plan. The project will aim at supporting at least four commodity value-chains (rice, cocoa, oil palm and poultry) due to their impact on smallholder farmers and their significant potential for enhancing competitiveness and creating jobs. While many projects have focused primarily on addressing production constraints, this project will focus primarily on constraints affecting the overall value-chain performance, such as high aggregation costs, high processing and marketing costs, as well as quality issues. The project will not support land to be converted for new palm oil plantations. The project will work with existing plantations and Responsible Sustainable Palm Oil production (RSPO) compliance will be a requirement for support. The project will have the following components: (1) Support to agribusiness-farmer linkages and SMEs along selected agricultural value chains (2) Market Access Improvement; (3) Capacity Building for Government and Other Institutions relevant for agribusiness development (4) Project Coordination, Monitoring and Evaluation.

The rationale for the proposed additional financing is to address the financing gap in the original project, that has resulted from: (i) the cost over-run for the feeder roads, as the final design estimates are higher than the estimates at appraisal; and (ii) the unanticipated withdrawal of DfID from the feeder roads program which has widened the funding gap. DfID's withdrawal was due to changing priorities in their country program for Sierra Leone. The government sees this project as a key part in its objective to improve productivity, enhance food security, improve market access and reduce rural poverty. By providing resources for the completion of the feeder roads component, the AF would improve access to areas of high agricultural production potential but largely inaccessible and foster linkages between smallholders and agribusinesses and provide access to markets. Substantial efforts have been expended on feeder roads assessment and prioritization studies followed by community engagement and sensitization on the identified priority rural roads and bridges. These citizen engagement efforts have substantially raised for several communities that are cut off and are severely challenged in accessing healthcare, education and markets - a social contract the Government of Sierra Leone seeks to keep with the approval of the AF.

The proposed additional financing would be accompanied by a Level 2 restructuring of the original project. This restructuring would involve: (a) restructuring the Agricultural Loan Scheme of Sub-Component A2 (support to farmer aggregation), under Component A - agribusiness-farmer linkages component, (b) changing some result indicators whose measurement and attribution to the project are difficult, (c) a reallocation of the credit proceeds between expenditure categories, (d) include a Zero (0) cost Contingency Emergency Response Component (CERC) to enhance the readiness of the project to support emergency situations that would require immediate support from IDA, (e) improve Gender



dimension of the project and retrofit recommendation from the GBV portfolio assessment, and (f) the extension of the project closing date for 13 months, from November 30, 2021 to December 31, 2022, to enable the project to complete and effectively institute sustainable community inclusive performance-based maintenance scheme for the feeder roads.

Recognizing and enhancing women's role in agriculture is critical for ensuring food security and reducing rural poverty. However, the gender dimensions of this project are unclear in terms of addressing the current gender inequalities that exist in agriculture. No clear gender assessment was done for the project. Although, the intermediary results include gender disaggregated indicators, there is no clarity on the specific activities that the project will undertake to meet these targets. Although women represent much of the agricultural labor force, their participation in the project interventions is currently minimal. The project has also been filtered for GBV risk particularly that there will infrastructure works. This additional Financing seek to therefore improve the gender dimensions of the project as well as mitigate GBV in accordance with the Good Practice Note on GBV risks related to civil works and recommendations from the GBV portfolio assessment.

Component A: Support to agribusiness-farmer linkages and SMEs along selected agricultural value chains (US\$20 million)

Structure of this component will largely remain the same as in the parent project. The component will continue to have two sub-components. **Sub-Component A. 1. Promotion of outgrower model for value chain financing to selected agribusinesses linked to outgrower schemes.** This activity is financed through the Sierra Leone Agribusiness Development Fund (SLADF) as a facility for eligible agribusinesses to access competitive value chain finance tailored to their needs required for the provision of productivity enhancing services and market access to outgrowers. This sub-component and its underlying activities will not change under the current AF and restructuring. The project will continue to build resilience in smallholder agriculture by promoting climate smart agricultural practices to enhance adaptation to climate change and thereby help to manage agricultural risks and crowd-in the financial sector into agriculture. Moreover, agribusinesses and farmers receiving project support will be encouraged to invest in energy-efficient systems.

The second **Sub-Component A.2. Support for farmers' aggregation:** Facilitates the inclusion of smallholders, who produce for the market, in a structured linkage with off-takers. Sub-component A.2. finances two main interventions: (i) *Agricultural Services Matching Grant (ASMG)* scheme, which supports postharvest management, farmer aggregation and market linkages with off-takers, and (ii) *Agricultural Loan Scheme (ALS)* intended to support the productivity aspect with a line of credit to enable farmers to acquire yield enhancing inputs (including the adoption of crop varieties that are resilient to climate shocks) and services. As part of the restructuring of the parent project the ASMG will be up-scaled from US\$2.0 million to US\$3.0 million to enhance the project's interventions in providing marketing linkages for Smallholders through off-taker arrangements. The ASMG activities now combines the activities to support the provisioning of aggregation structures under Sub-Component B2 of the parent project to allow for the consolidation of similar activities and improve efficiency in delivery.

With the challenges of the operationalization of ALS, the Government has proposed to drop the ALS and to reallocate its resources as part of the restructuring of parent project, to support activities that broadly address challenges to access to finance by farmers and SMEs and promote financial inclusion especially for women. New activities proposed under the restructured ALS category include: (i) supporting selected financial institutions to develop and pilot agricultural loan products with special attention to lending products that will target women; (ii) digital savings driven input e-voucher



system which would enable farmers save towards their commitments in input voucher schemes; and (iii) scaling up activities for the capacity building of agro-dealers to promote private sector involvement in the delivery of agricultural inputs and services.

Support the piloting of the new agricultural lending products. This activity will support financial institutions to develop and pilot-test new innovative agricultural lending products and delivery mechanisms that respond to the specific requirements of farmers, agribusiness SMEs, and also women while strengthening the capacity of the financial institutions to service the sector and enable farmers to gradually access sustainable sources of finance. These could include lending products but also savings schemes that would help farmers to mobilize their own resources to purchase inputs and equipment or to save up their contribution to the matching grants provided by SCADeP. The use of digital technologies to reduce delivery costs in remote rural areas will be encouraged.

Promotion of digital savings driven input voucher system which would enable farmers save towards their commitments in input voucher schemes. This activity will include the design and establishment of the electronic voucher platform, and procurement of improved inputs for distribution to beneficiary farmers to pilot the scheme. The Electronic Input Voucher cum digitally-enabled savings scheme will facilitate farmers to save up an increasing share of the input cost over time to build capacity to pay for inputs. This digital scheme will be developed in partnership with Financial Technology (FinTecs) service providers and inputs dealers to support farmers to operate a digital commitment savings account to make it easier for the farmers to mobilize funds to cost share the input package. At the same time, it would generate a track record in terms of savings behavior which could qualify farmers to eventually borrow from financial institutions. The implementation of such scheme would be subjected to the successful pilot of designs and approval by the Bank of Sierra Leone.

Component B: Market Access Improvement (US\$40.34 million)

The objective of this component is to link high agricultural production areas to markets. This support will help to link high agricultural production areas to markets. This component will support the rehabilitation, spot improvements and maintenance of 500-600 km of feeder roads using performance-based contracts. This sub-component also include construction of river crossing structures. Specific focus will be on those rural roads that link markets to production areas with high volumes of perishable crops and produce. The engineering designs for 523.2 km feeder roads (comprising 279.2 km with traditional contract model and 244 km based on Outputs and Performance Based Contract (OPRC) model) alone presented a higher cost than the appraisal estimates of the parent project.

Faced with the wide funding gap, the Government of Sierra Leone has proposed to downsize the activities under Sub-Component B1 to fit the available funding. Hence, out of a total of 272km of feeder roads that was designed for traditional contracting, only 142 km were advertised for funding in six (6) Districts. Moreover, the feeder roads identified for OPRC are to be put on hold, while resources from the Additional Financing would be focused on constructing highly prioritised rural bridges to replace moribund ferry crossings to enhance Intra-district and regional trade in agricultural products that has often been hindered by unreliable ferry crossing services in several parts of the country. The impact of the feeder roads in linking difficult to access but high agricultural productions zones to the rest of the economy, will be minimal if these critical bridges are not fixed to enhance the movement of agricultural products across districts and regions to facilitate trade and increase access to social services. Given that the technical designs of the feeder roads are ready, Government will explore with its development partners alternative options of rehabilitating the remaining feeder roads while the technical designs are still valid.



In addition, the project will scale-up the capacity of the district assemblies to undertake maintenance for the rehabilitated feeder roads using labor-based methods. Special focus will be given to capacity building of specialized contractors, their work force, and involved government bodies through training and provision of advisory services. To minimize risks associated with migrating workers, the majority of the labor-based works will be scheduled when demand for farm labor is low, usually from December to March.

The sub-component activity as defined in the parent project, to address market coordination failures that arise from the lack of aggregation structures such as produce collection centers, rice drying floors, storage warehouses and other such structures which serve to aggregate smallholder farmer produce, making it easier for off-takers to collect the produce without incurring high aggregation costs, is moved to sub-component A2, as part of the restructuring. The project is also exploring the use of ICT for market price information in order to address the price information asymmetry which is a major factor affecting efficient access to markets among smallholder farmers.

Component C: Capacity Building support for state and non-state institutions and producer organizations (US\$ 5 million)

The objective of this component is to strengthen the capacity of state and non-state institutions responsible for the provision of services relevant for smallholder commercialization and agribusiness development. This component will support capacity building among state and quasi-state institutions responsible for providing public sector services, including the policy environment for the promotion of agribusiness development in the country. Such support will be provided to the following institutions: Ministry of Agriculture, Forestry and Food Security (MAFFS), Ministry of Trade and Industry (Cooperative and Trade Facilitation Departments); Sierra Leone Agricultural Research Institute (SLARI); Sierra Leone Chamber for Agribusiness Development (SLeCAD); Sierra Leone Investment and Export Promotion Agency (SLIEPA) and micro-finance institutions. The project will selectively support activities and services that are relevant to developing the smallholder farming sector in Sierra Leone as highlighted in the parent project.

The structure and activities to capacity building for state and non-state functionaries and producer organizations will not change. However, activities relating to value chain support services will now be supported under Sub-component A2, while the funding will be reallocated to Component D to augment the budget short fall in operational cost allocation (including additional tasks and safeguards risk management).

Component 4: Project coordination, monitoring and evaluation (US\$5.93 million)

The overall day to day running, project coordination and management would be anchored within the Project Coordination Unit (PCU). The project will be implemented under the existing PCU while the fiduciary capacity of the unified Project Implementation Unit under MAF will be built. This will also help reduce the operational costs since the existing PCU has equipment and office space already. Furthermore, the existing PCU has strong experience in implementing projects following the Bank's fiduciary procedures, thereby improving implementation readiness of the project. In addition to the activities planned under this component in the parent project, a new activity, a third sub-component (D.3), focusing on social and environmental risk management is added as part of the restructuring. Government of Sierra Leone and the relevant stakeholders, including IFC will establish an Advisory Committee to provide appropriate governance and oversight over the use of the Fund in accordance with the project objectives. The SLADF structure, operational framework and criteria for the selection of eligible agribusinesses are presented in Annex 7 of the parent project.

Component E: Contingency emergency response



This component, known as the Contingency Emergency Response Component (CERC), would be available should the need arise to redirect some project resources to contribute with other projects in the participating countries portfolio to respond to an eligible emergency or crisis. No funds are allocated to it at this state, so it is zero (0) Cost. However, the available resources would be made available to finance emergency response activities and to address crisis and emergency needs. If such a crisis develops, the government may request the World Bank to reallocate project funds to cover some costs of emergency response and recovery. Detailed operational guidelines acceptable to the World Bank for implementing the project CERC at national level will be prepared as a disbursement condition for this Component. All expenditures under the CERC will be in accordance with paragraphs 11, 12, and 13 of World Bank OP10.00 (Investment Project Financing). They will be appraised and reviewed to determine if they are acceptable to the World Bank before any disbursement is made. Disbursements will be made against an approved list of goods, works, and services required to support crisis mitigation, response, recovery, and reconstruction. In case this component is to be used, the project will be restructured to re-allocate financing.

E. Implementation

Institutional and Implementation Arrangements

No additional activities introduced under the AF. The existing implementation arrangements as specified in the parent project will remain. The PCU established under the Ministry of Agriculture and Forestry will continue to coordinate the implementation of project by implementing partners, including responsibility for fiduciary management, as outlined in the parent project. However, if modalities are put in place in the government established Project Fiduciary Management Unit (PFMU), which is currently handling fiduciary management of World Bank funded projects which are in pipeline, to provide same support to existing projects the fiduciary functions-financial management, procurement and Internal Audit may be transferred to the PFMU as and when appropriate in the future. There are no changes to the overall project coordination arrangement. However, following the approval of the AF, SLRA which is GoSL's technical agency for roads and bridges will directly lead the implementation of all the activities under Sub-Component B1. The Authority (SLRA) will have a sub-project implementation team dedicated for the sub-component activities on feeder roads and bridges. These activities will be executed through a Memorandum of Understanding between the PCU and SLRA to share responsibilities, with agreed expected outputs and performance benchmarks.

The PCU will however continue to retain the fiduciary and Safeguards responsibilities for all the activities under the project. The Project Coordination Unit (PCU) has one Safeguards Specialist who has been responsible for managing and implementing environmental and social safeguards instruments and tools. Although the Specialist has the requisite capacity and experience the work load presented some challenges and based on recommendations the borrower will recruit an additional safeguards specialist under the AF to augmented the existing capacity. So far, there have been smooth implementation no serious safeguards issues have been identified. The Project has prepared and publicly disclosed all site specific ESHIAs that have been required for identified project interventions. And for the purpose of the AF, all the safeguards instruments prepared for the parent project have been updated and publicly disclosed both in-country in Sierra Leone and the World Bank website.

All activity plans will be formulated, appraised and approved as part of the Annual Work Plan and Budgets (AWPB). The PCU will disburse funds to the SLRA, as has been the case under the parent project for MDAs and non-state institutions, based on the agreements in the approved AWPB. The PCU will monitor implementation and be responsible for fiduciary oversight to ensure that funds are used for the approved activities.



F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

The project target area is all the 13 rural districts of the country, including the western area and Freetown.

G. Environmental and Social Safeguards Specialists on the Team

- Demba Balde, Social Specialist
- Franklin Kuma Kwasi Gavu, Environmental Specialist
- Anita Bimunka Takura Tingbani, Environmental Specialist
- Charles Ankisiba, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The project triggers OP/BP 4.01 from the expected impacts (noise, dust, traffic safety) from the rehabilitation and routine maintenance of at least 500km of feeder Roads in the high agricultural productive areas for which an Environmental and Social Management Framework (ESMF) has been prepared with guidelines (a generic EMP) to prevent as a first option or mitigate any adverse impact. The expected impacts from the agricultural activities have also been addressed as part of the ESMF. The ESMF will be used to screen project activities and guide the preparation of site specific ESIA's and EMPs as and when needed.
Performance Standards for Private Sector Activities OP/BP 4.03	No	This policy was not triggered.
Natural Habitats OP/BP 4.04	Yes	The project triggers OP/BP 4.04 as a result of the farming activities, and road rehabilitation and maintenance, which may affect land and water resources (pesticides, noise, dust, traffic safety). The policy was triggered out of precaution because the project will not directly support activities which will



		have an impact on natural habitats. The ESMF has provisions for screening which will help in determining the applicability of the policy. Based on the screening results the applicable safeguards instruments will be prepared to mitigate the potential negative impacts.
Forests OP/BP 4.36	Yes	OP4.36 has also been triggered even though all production activities, including replanting will occur on existing farms and plantations. The ESMF provides a screening checklist which will be used to screen sub-projects to determine the applicability of the policy during project implementation. Should the policy be applicable as a result of screening the relevant safeguards instrument will be prepared the mitigate the impacts.
Pest Management OP 4.09	Yes	The project has triggered OP 4.09 from the likely use of pesticides as a result of the agricultural production. A Pest Management Plan (PMP) has been prepared by the borrower to evaluate the pesticides use in the country and propose a safe use action plan and integrated Pest management Methods (IPM) to help mitigate the potential negative impacts of the use of pesticides during project implementation.
Physical Cultural Resources OP/BP 4.11	Yes	The project has also triggered OP4.11 (Physical Cultural Resources) out of precaution in order to have a management framework in place in case of chance-finds during road rehabilitation works. A Physical Cultural Resources Plan has been included as part of the ESMF.
Indigenous Peoples OP/BP 4.10	No	This policy is not triggered since no indigenous peoples as defined in OP 4.10 are present in the project area.
Involuntary Resettlement OP/BP 4.12	Yes	Even though the project will not support any activities that will result in relocation of people, OP4.12 has been triggered to ensure that an appropriate Resettlement Policy Framework (RPF) is put in place to screen project activities and guide the preparation of Resettlement Action Plans to mitigate any unanticipated social risk and impacts that may require the relocation of project affected people in the project area.
Safety of Dams OP/BP 4.37	No	This policy is not triggered since it is not envisaged that streams or rivers will be dammed for irrigation.



		No irrigation or use of existing dams is envisaged under the project.
Projects on International Waterways OP/BP 7.50	No	This policy is not triggered since the project is not expected to impact any international waterway.
Projects in Disputed Areas OP/BP 7.60	No	This policy is not triggered since lands within the 13 rural districts are not in dispute as defined in OP 7.60

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The Environmental Category assigned for the project is B (Partial), since it is expected that environmental and social impacts will be moderate and in most cases manageable. An ESMF has been prepared by the borrower. The ESMF has been publicly disclosed both in country in Sierra Leone as well as at the World Bank website. The ESMF provides the framework for screening of sub-projects as they become known during project implementation after which the relevant ESIA and EMPs will be prepared to manage or mitigate any potential negative impacts. The project has triggered the following environmental and social safeguard policies: OP4.01 (Environmental Assessment); OP4.04 (Natural Habitats); OP4.09 (Pest Management); OP4.11 (Physical cultural Resources); OP4.12 (Involuntary Resettlement) and OP 4.36 (Forests). As an agricultural project, most activities to be undertaken by the out-growers and agribusinesses may cause some environmental impacts related to crop production. OP4.01 and OP4.09 have been triggered to put in place appropriate risk management measures. OP4.36 and OP4.04 has also been triggered even though all production activities, including replanting will occur on existing farms and plantations. However, since shifting cultivation is still prevalent in Sierra Leone, the likely impact on secondary forests cannot be ruled out and hence the screening of sub-projects will help identify the potential for such and propose mitigation measures the address the negative impacts. The project activities under components 1 and 2 will require some rural road works and agricultural production activities and although there will be no involuntary resettlement as a result of the project, the project has still triggered the World Bank Safeguard Policy on Involuntary Resettlement (OP/BP 4.12). Even though the project will not support any activities that will result in relocation of people, a Resettlement Policy Framework has been prepared to provide guidelines on how to mitigate potential risks and impacts on project affected people . The RPF has been publicly disclosed both in country in Sierra Leone as well as at the World Bank website before project appraisal. In addition, a Grievance Redress Mechanism (GRM) has been prepared in order to help address grievances arising as a result of the project implementation. The project has also triggered OP4.11 (Physical Cultural Resources) out of precaution in order to have a management framework in place in case of chance-finds during project implementation.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

Some of the identified potential environmental impacts include: i) chemical pollution impacting natural resources and human health due to excessive and improper use of chemical pesticides and fertilizers, and pesticide residues; (ii) adverse impacts on land and forests including land degradation and deficiency in soil nutrients, soil erosion/slope instability, and loss of topsoil due to faulty farm practices and improper use of chemical fertilizer, as



well as improper cultivation on slopes/marginal lands, and construction of infrastructure such as feeder roads; (iii) localized air and odor pollution arising from activities such as burning of firewood for cultivation, ammonia/methane/nitrous oxides emission from poultry production and emission from processing activities, and dust from feeder roads construction activities; (iv) water pollution due to mismanagement of wastes from processing units, laboratories, agricultural waste/crop residues, livestock/poultry waste, wastewater from cleaning, washing, waste from slaughter houses, untreated dairy effluents, wastewater from milk processing, and laboratory wastes; (v) impacts on forest and forest resources including forest depletion or degradation due to increased use of firewood for agro-processing, site clearance for infrastructure construction; and project-induced encroachment into secondary forest areas; (vi) adverse impacts on biodiversity, native species, and non-timber forest products (NTFPs) including medicinal and aromatic plant species growing in natural habitats, due to unregulated or increased encroachment on the primary and secondary forests as a result of the proposed re-planting of old plantations with improved planting materials.

Potential social impacts may include: i) short-term loss of income and livelihood due to the proposed replanting of the old plantations with high yielding planting materials; (ii) possible exclusion of marginalized farmers, women and youth; (iii) possible use of child labor in agribusinesses and out-grower schemes' activities; and (iv) potential risk of spreading communicable diseases such as STDs and HIV/AIDS due to increased labor force. Prior to project implementation a land access due diligence study was conducted, which identified and developed a criteria to exclude agribusinesses operating in areas with compensation and other land related legacy issues.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Two alternative designs were considered but their impact on environmental and social issues would not be any better than the current design because the focus of the activities is similar.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The proposed activities under the AF will not be significantly differently from the ongoing parent project with regards to project Environmental and social risks and impacts. Thus, borrower has updated and Publicly disclosed both the Environmental and Social Management Framework (ESMF) and Resettlement Policy Framework (RPF). These frameworks provides guidelines that will guide the development of ESIA's and ESMPs and RAPs as may be needed to ensure that all the sub-projects selected and implemented under the project incorporate specific and adequate mitigation measures to address environmental and social risks and impacts. A screening checklist has been developed as part of the ESMF and will be applied to all subprojects. The RPF incorporates guidelines to address relocation impacts which are project induced. An outline of Resettlement Action Plan (RAP) is annexed to the RPF that details the key issues to focus on: these include identification of Project Affected People and their entitlements, how to ensure social inclusion in all aspects of the project activities and benefits, conducting and documenting stakeholder consultations and a robust Grievance Redress Mechanism to record project related complaints is established. The RPF further elaborates on and provides guidance on managing risks related to Gender-Based violence (GBV). As part of the review process the GBV risk tool was used to assess and determine the risk rating for the project.

The Project Coordination Unit (PCU) has one Safeguards Specialist who has been responsible for managing and implementing environmental and social safeguards instruments and tools. Although the Specialist has the requisite capacity and experience the work load presented some challenges and based on recommendations the borrower will recruit an additional safeguards specialist under the AF to augmented the existing capacity. The national Environmental Protection Agency (SLEPA) has the mandate to monitor and ensure all projects are in compliance with national laws. the SLEPA has been involved in the implementation of several World Bank funded project in the country and its staff have benefited from trainings on the World Bank's environment and social safeguards policies as well as



the Environmental and Social Framework. Thus, the SLEPA has the requisite technical capacity to regulate activities of the project to ensure compliance with national as well as the World Bank's policies on environment and social. Both the PCU and the SLEPA will be supported throughout the project by the World Bank's environmental and social specialists on the project to ensure the project remains in compliance with the relevant safeguards policies.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

During the formulation of the ESMF, the following key stakeholders were consulted through workshops, key informant interviews and focus-group discussions: EPA officials, various ministries, departments and agencies in Government (i.e. Ministry of Agriculture, Ministry of Works, Housing and Infrastructure, Ministry of Trade and Industry, Sierra Leone Chamber for Agribusiness Development, National Federation of Farmers of Sierra Leone, Agribusiness companies working in oil palm, cocoa, poultry and rice, and representatives of farmers' organizations already or likely to benefit from the project as out-growers and/or contract farmers.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank 15-Apr-2019	Date of submission for disclosure 20-May-2019	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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"In country" Disclosure

Sierra Leone
17-May-2019

Comments

The updated ESMF has gone through public consultations and Bank review before being publicly redisclosed.

Resettlement Action Plan/Framework/Policy Process

Date of receipt by the Bank 16-Apr-2019	Date of submission for disclosure 20-May-2019
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"In country" Disclosure

Sierra Leone
14-May-2019

Comments

The updated RPF has gone through public consultations and Bank review before being publicly redisclosed



Pest Management Plan

Was the document disclosed prior to appraisal?

Yes

Date of receipt by the Bank

17-May-2019

Date of submission for disclosure

28-May-2019

"In country" Disclosure

Sierra Leone

29-May-2019

Comments

The updated IPMP has gone through public consultations and Bank review before being publicly redisclosed

If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of critical natural habitats?

No

If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?

Yes

OP 4.09 - Pest Management



Does the EA adequately address the pest management issues?

Yes

Is a separate PMP required?

Yes

If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?

Yes

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property?

Yes

Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?

Yes

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?

Yes

If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?

Yes

Is physical displacement/relocation expected?

TBD

Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)

TBD

OP/BP 4.36 - Forests

Has the sector-wide analysis of policy and institutional issues and constraints been carried out?

Yes

Does the project design include satisfactory measures to overcome these constraints?

Yes

Does the project finance commercial harvesting, and if so, does it include provisions for certification system?

No

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?



Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes

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APPROVAL

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Approved By

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